



Via electronic submission

April 22, 2016

Hon. Kathleen Burgess
Secretary to the Commission
New York State Public Service Commission
Agency Building 3
Albany, New York 12223-1350

Re: Case 15-E-0302, In the Matter of the Implementation of a Large-Scale Renewable Program and Clean Energy Standard

Secretary Burgess,

On behalf of Northeast Energy Efficiency Partnerships (NEEP),¹ please accept our comments regarding the proposed Clean Energy Standard,² submitted to the Commission on April 22, 2016. NEEP is a regional non-profit that works to accelerate energy efficiency in homes, buildings and industry across the Northeast and Mid-Atlantic states. Our Policy Outreach and Analysis group serves as an information resource for policymakers, program administrators, and others to support the adoption and implementation of public policies and programs that advance energy efficiency.

Introduction

We congratulate Staff for the thoughtful combination of policies in the Clean Energy Standard Whitepaper ("CES"). We are encouraged by many aspects of the CES, and thank the Commission and Staff for the opportunity to comment. Our greatest hope is that any Order related to the Clean Energy Standard will deliver on the goals of the Cuomo Administration as set forth in the State Energy Plan, which commitments to a 600 trillion Btu increase in energy efficiency.³ We offer comments below on:

- (1) Revision of the Load Forecast Methodology;
- (2) Accounting for New York Power Authority (NYPA), Public Service Enterprise Group Long Island (PSEG-LI), and Direct NYISO Customers; and
- (3) Opportunities for Load Reduction to Maintain CES Methodologies.

Load Forecast Methodology Revision

The CES's Appendix B describes the load forecast methodologies used for calculation of the 50% by 2030 goal as based on the 2015 New York State Gold Book load forecast, with some revision by Staff. They note that the 2015 Gold Book does not "take into account expected energy efficiency efforts from 2015 on."⁴ As described below, **this is *not* the case; the Gold Book already accounts for the energy efficiency programs in its forecast.**

¹ These comments are offered by NEEP staff and do not necessarily represent the view of the NEEP Board of Directors, sponsors or partners.

² New York State Department of Public Service. Staff Whitepaper on Clean Energy Standard. Available at: <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={930CE8E2-F2D8-404C-9E36-71A72123A89D}>

³ 2015 New York State Energy Plan. Available at: <http://energyplan.ny.gov/-/media/nysenergyplan/2015-state-energy-plan.pdf>

⁴ *Supra*, at note 2. Appendix B. Page 57-8.

To support the accuracy of its load forecast, the NYISO employs a two stage process for developing load forecasts in the New York Control Area (NYCA): “In the first stage, zonal load forecasts are based upon econometric projections that recognize the influence of weather and the economy,” and in the second stage the NYISO prepares “[S]eparate forecasts for the various energy-savings impacts – both existing and new programs, including the initiatives being considered under the auspices of the Clean Energy Fund Proposal⁵, behind-the-meter activity from SPV, and other distributed generation.”⁵ Figure 1 is a chart directly excerpted from the Gold Book detailing load forecasts after energy saving programs and behind the meter generation.

Figure 1. NYISO Gold Book forecast of annual energy usage in the NYCA.
Reflects Impacts of Energy Saving Programs & Behind-the-Meter Generation

Forecast of Annual Energy by Zone - GWh

Year	A	B	C	D	E	F	G	H	I	J	K	NYCA
2015	15,789	9,849	16,055	4,620	8,058	11,906	9,826	2,944	6,051	52,918	22,105	160,121
2016	15,836	9,838	16,074	4,636	8,077	11,868	9,791	2,932	6,037	52,803	22,078	159,970
2017	15,745	9,774	16,015	4,625	8,053	11,757	9,693	2,904	5,995	52,435	21,984	158,980
2018	15,690	9,731	15,958	4,627	8,049	11,657	9,608	2,884	5,969	52,208	21,899	158,280
2019	15,643	9,699	15,915	5,604	8,051	11,571	9,523	2,866	5,957	52,098	21,870	158,797
2020	15,651	9,690	15,913	6,582	8,089	11,532	9,477	2,853	5,940	51,955	21,903	159,585
2021	15,581	9,640	15,854	6,584	8,094	11,452	9,401	2,830	5,928	51,847	22,045	159,256
2022	15,563	9,613	15,842	6,585	8,117	11,425	9,355	2,818	5,923	51,804	22,283	159,328
2023	15,549	9,589	15,837	6,587	8,140	11,412	9,315	2,811	5,923	51,808	22,535	159,506
2024	15,578	9,587	15,871	6,588	8,204	11,444	9,299	2,810	5,928	51,845	22,852	160,006
2025	15,520	9,542	15,841	6,590	8,214	11,418	9,243	2,803	5,934	51,898	23,062	160,065

Source: NYISO Gold Book⁶

The Gold Book also explicitly details its projections for reductions in load requirements attributable to energy efficiency and other non-photovoltaic behind-the-meter generation. Figure 2 is a direct excerpt from the Gold Book detailing these projections.

Figure 2. Energy usage reductions attributable to energy efficiency (et al.)
Forecast of Reductions in Annual Energy by Zone - GWh

Year	A	B	C	D	E	F	G	H	I	J	K	NYCA
2015	198	133	357	17	136	241	115	22	45	394	216	1,874
2016	396	263	552	36	246	440	267	56	105	925	563	3,849
2017	583	385	748	54	351	632	407	81	154	1,346	937	5,678
2018	693	458	874	65	417	754	489	102	198	1,727	1,310	7,087
2019	773	511	968	74	466	845	550	113	213	1,864	1,628	8,005
2020	841	556	1,053	81	508	922	599	120	222	1,941	1,918	8,761
2021	901	596	1,125	86	544	988	642	124	226	1,972	2,175	9,379
2022	953	631	1,186	90	575	1,042	678	131	229	2,002	2,355	9,872
2023	998	661	1,234	94	600	1,086	709	134	233	2,033	2,534	10,316
2024	1,038	688	1,276	97	622	1,125	736	137	237	2,064	2,727	10,747
2025	1,074	713	1,310	101	642	1,159	762	143	240	2,094	2,924	11,162

Source: NYISO Gold Book⁷

⁵ NY-ISO. 2015 Load & Capacity Data “Gold Book.” Page 2. (April 2015) Available at: http://www.nyiso.com/public/webdocs/markets_operations/services/planning/Documents_and_Resources/Planning_Data_and_Reference_Docs/Data_and_Reference_Docs/2015%20Load%20and%20Capacity%20Data%20Report.pdf

⁶ *id.* at page 12.

⁷ *id.* at page 18.

Figure 3 provides a comparison of the load forecast assumption in the Gold Book against assumptions in the CES. The estimates in the CES far exceed the energy savings ordered by the Commission, which are already accounted for in the Gold Book.

Figure 3. Gold Book and CES EE Assumptions

Energy Efficiency Assumptions in the 2015 Gold Book and Clean Energy Standard		
Year	Cumulative Energy Efficiency (GWh)	
	Gold Book	CES
2015	1,874	2,227
2016	3,849	4,453
2017	5,678	6,680
2018	7,087	8,907
2019	8,005	11,133
2020	8,761	13,360
2021	9,379	15,587
2022	9,872	17,813
2023	10,316	20,040
2024	10,747	22,267
2025	11,162	24,493

Source: CES and Gold Book

Accounting for NYPA, LIPA, and Direct NYISO Customers

To factor in the impact of future energy efficiency efforts, the CES begins with the 1,613 GWh of annual savings recently approved by the Commission for NYSEDA and the utilities, and “increased the number pro ratably based on their current load to factor in the energy efficiency efforts of direct NYISO customers, LIPA customers, and NYPA customers.”⁸ This result is an assumption that LIPA, NYPA, and NYISO customers will together save 614 GWh annually through energy efficiency programs.

The Energy Information Administration (EIA) collects data on energy savings programs on an annual basis in their form 861.⁹ Figure 4 provides the 2014 annual savings achieved by LIPA and NYPA customers, as reported on form 861.

Figure 4. EE Savings of LIPA, NYPA, and Direct ISO Customers

Reported 2014 Incremental Annual Savings (GWh)	
Long Island Power Authority	252.8
New York Power Authority	48.2
Municipal/Cooperative Utilities (direct NYISO customers)	3.6
Total	304.6

Source: EIA Form 861.¹⁰

⁸ *Supra* at note 2, Appendix B, Page 2.

⁹ Energy Information Administration. Form 861. (October 2015) Available at: <https://www.eia.gov/electricity/data/eia861/zip/f8612014.zip>

¹⁰ Energy Information Administration. Form 861. (October 2015) Available at: <https://www.eia.gov/electricity/data/eia861/zip/f8612014.zip>

If annual incremental savings totals for these entities continue at the rate reported to the EIA, then **the CES’s methodology of assigning pro rata savings figures based on load assumes more than 300 GWh of annual incremental savings that may not materialize**, altering many other assumptions relevant to load forecast and therefore cost impacts within the CES.

Opportunities for Load Reduction to Maintain CES Methodologies

While revisions to the above-referenced assumptions may be a detriment to the cost-effectiveness of the CES, opportunities still remain for the Commission to mandate the energy savings included within the CES’ methodologies become the floor for energy efficiency programs being developed by the Clean Energy Advisory Council, therefore preserving the CES’s forecasted load reductions and associated methodologies for calculating costs and benefits. Figure 5 is a compilation of neighboring states’ energy efficiency savings goals. The Commission could mandate goals of a similar magnitude in order to maintain the cost-effectiveness of the CES, while also providing ratepayers with a least-cost energy resource.

State	Energy Efficiency Savings Goals	
	Electric	Gas
Massachusetts ¹¹ (Savings as percent of forecasted retail sales)	2.93%	1.24%
Rhode Island ¹² (Savings as percent of 2012 retail sales)	2.60%	1.10%
Vermont ¹³ (Savings as percent of forecasted retail sales)	2.06%	0.90%
Maryland ¹⁴ (Savings as percent of 2014 retail sales)	2.00%	1.00% (Proposed) ¹⁵

Conclusion

NEEP commends Staff and the Commission for their continuing support of energy efficiency in the Empire State. It is our belief that continued coordination between Staff, NYSEEDA, utilities, and other relevant stakeholders on the issue of energy efficiency in the load forecast can help grow the economic engine that is energy efficiency and deliver savings to ratepayers for decades to come.

¹¹ Massachusetts 2016-2018 Energy Efficiency Plan Term Sheet. Page 1. (September 2015) Available at: <http://ma-eeac.org/wordpress/wp-content/uploads/Term-Sheet-2016-2018-Plan-9-23-15-Supp.-10-26-15-Final.pdf>

¹² Rhode Island 2015-17 Least Cost Procurement Plan. Page 5. (September 2013) Available at: [http://www.ripuc.org/eventsactions/docket/4443-EERMC-EE-SavingsTargets\(9-17-13\).pdf](http://www.ripuc.org/eventsactions/docket/4443-EERMC-EE-SavingsTargets(9-17-13).pdf)

¹³ Efficiency Vermont 2015-17 Triennial Plan. Page 37. (December 2014) Available at: http://psb.vermont.gov/sites/psb/files/EEU/EfficiencyVermont_Triennial%20Plan2015-2017.pdf; Burlington Electric Department 2015-17 Triennial Plan. Page 10. (December 2014) Available at: <http://psb.vermont.gov/sites/psb/files/EEU/BED2015-17Triennialplan.pdf> (Triennial Plans Describing three years of annual savings target as 344,164 MWh, while EIA lists [2014 retail sales](#) as 5,569,861 MWh. $(344,164/3)/5,569,861 = .02059 = 2.1\%$.)

¹⁴ Maryland Public Service Commission. Order No. 87082. Page 31. (July 2015) Available at: http://content.sierraclub.org/environmentallaw/sites/content.sierraclub.org/environmentallaw/files/2015_07_16_Order_No_87082_Cost-eff_and_Goal_setting.pdf

¹⁵ Office of Staff Counsel. Natural Gas Efficiency Goals of the Natural Gas-Electric Efficiency Coordination Work Group. (February 2016) Available at: http://webapp.psc.state.md.us/newIntranet/Casenum/NewIndex3_VOpenFile.cfm?filepath=C:\Casenum\9100-9199\9154\Item_687\9153-57-NaturalGasGoalRecommendations-wg-020116.pdf

Please accept these comments in the spirit they are intended: to aid the Commission, and ultimately the people of New York, in securing a more affordable, reliable, cleaner and sustainable energy future.

Contact information:

A handwritten signature in cursive script that reads "Brian D. Buckley".

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